



SAN FRANCISCO PLANNING DEPARTMENT

March 28, 2014

Ms. Angela Calvillo, Clerk
Honorable Supervisor Tang
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

**Re: Transmittal of Planning Department Case Number 2014.0290T
Waiving Certain Fees for Small Business Month
Board File No. 14-0122
Planning Commission Recommendation: Approval with Modifications**

Dear Ms. Calvillo and Supervisor Tang,

On March 27, 2014, the Planning Commission conducted a duly noticed public hearing at regularly scheduled meetings to consider the proposed Ordinance that would recognize Small Business Month in May 2014 and amend the San Francisco Planning Code, and the San Francisco Building Code to waive fees for the month of May for certain façade improvements introduced by Supervisor Tang. At the hearing, the Planning Commission recommended approval with modifications.

The proposed modifications include:

- Making permanent the annual waiver of Planning Department fees for permits issued for awning replacement and for signs on awnings as well as the Central Permit Bureau fees for review of awning replacements and the installation of pedestrian level lighting each May during Small Business Month.
- Amending Planning Code Section 355 to add a subsection (f) as follows: Small Business Month Fee Waiver. Planning Department fees for permits issued for awning replacement and for signs on awnings shall be waived each May during Small Business Month.
- Amending the fee schedules of Tables 1A-A and 1A-E of the Building Code to state: Permit Fees related to reviewing the structural integrity of awning replacements for those permits submitted "over the counter" at the Central Permit Bureau and installation of pedestrian level lighting, respectively, are waived for any permit issued for such activities each May during Small Business Month.

The proposed amendments to the Planning Code has been reviewed and found exempt from CEQA per Section 15273, Rates, Tolls, Fares and Charges.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commissions.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'AMR', with a long horizontal stroke extending to the right.

AnMarie Rodgers
Manager of Legislative Affairs

cc:

John D. Malamut, Deputy City Attorney
Ashley Summers, Aide to Supervisor Tang
Alisa Miller, Office of the Clerk of the Board

Attachments

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No.19106

HEARING DATE: MARCH 27, 2014

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Project Name: Waiving Certain Fees for Small Business Month
Case Number: 2014.0290T [Board File No. 14-0122]
Initiated by: Supervisor Tang / Introduced February 11, 2014
Staff Contact: Diego R Sánchez, Legislative Affairs
diego.sanchez@sfgov.org. 415.558.6362
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415.558.6395

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

RECOMMENDING THAT THE BOARD OF SUPERVISORS PASS AN ORDINANCE THAT WOULD 1) RECOGNIZE SMALL BUSINESS MONTH IN MAY 2014; 2) AMEND THE SAN FRANCISCO PLANNING CODE AND THE SAN FRANCISCO BUILDING CODE TO WAIVE FEES FOR CERTAIN FAÇADE IMPROVEMENTS DURING SMALL BUSINESS MONTH, AS DECLARED BY THE SMALL BUSINESS COMMISSION; AND 3) MAKE ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE PRIORITY POLICIES OF PLANNING CODE SECTION 101.1

PREAMBLE

Whereas, this is the ninth year in a row that the City of San Francisco has celebrated Small Business Week during the month of May; and

Whereas, small businesses are the backbone of the American economy, representing 99.7 percent of all employer firms; and

Whereas, on March 27, 2014 the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance; and

Whereas, the proposed Ordinance have been found exempt from the California Environmental Quality Act per Section 15273, Rates, Tolls, Fares and Charges; and

Whereas, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented by Department staff, and other interested parties; and

Whereas, the all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

Whereas, the Commission has reviewed the proposed Ordinance; and

MOVED, that the Commission hereby recommends that the Board of Supervisors recommend *approval with modifications* of the proposed Ordinance and adopts the Draft Resolution to that effect.

The Commission recommended modification would make permanent the waiver of Planning Department fees for permits issued for awning replacement and for signs on awnings as well as the Central Permit Bureau fees for review of awning replacements and the installation of pedestrian level lighting during Small Business Month each year, as declared by the Small Business Commission,.

Specifically, the Commission recommended

- Making permanent the annual waiver of Planning Department fees for permits issued for awning replacement and for signs on awnings as well as the Central Permit Bureau fees for review of awning replacements and the installation of pedestrian level lighting each May during Small Business Month.
- Amending Planning Code Section 355 to add a subsection (f) as follows: Small Business Month Fee Waiver. Planning Department fees for permits issued for awning replacement and for signs on awnings shall be waived each May during Small Business Month.
- Amending the fee schedules of Tables 1A-A and 1A-E of the Building Code to state: Permit Fees related to reviewing the structural integrity of awning replacements for those permits submitted "over the counter" at the Central Permit Bureau and installation of pedestrian level lighting, respectively, are waived for any permit issued for such activities each May during Small Business Month.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. As amended, this Ordinance would provide an incentive to improve business facades at what is projected to be minimal cost to the City and would provide certainty of fee waivers for such scope of work during Small Business Month each year. Therefore, we recommend support of this proposed Ordinance as a gesture of goodwill during Small Business Month 2014.
2. **General Plan Compliance.** The proposed Ordinance is, on balance, consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

POLICY 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

POLICY 4.1

Maintain and enhance a favorable business climate in the city.

POLICY 6.2

Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

The proposed Ordinance would provide a gesture of goodwill for Small Business Month 2014 and for each subsequent year.

URBAN DESIGN ELEMENT

POLICY 4.7

Encourage and assist in voluntary programs for neighborhood improvement.

The proposed Ordinance would assist building owners in voluntary façade upgrades.

1. The proposed replacement project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

- A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The proposed Ordinance will assist neighborhood-serving retail uses in renovation of facades.

- B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed Ordinance will have no adverse impact on housing and will encourage improvements to neighborhood commercial corridors.

- C) The City's supply of affordable housing will be preserved and enhanced:

The proposed Ordinance will have no adverse effects on the City's supply of affordable housing.

- D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

- E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The proposed Ordinance would have no negative effects on industry or the service sector.

- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed Ordinance would not affect the preparedness against injury and loss of life in an earthquake is unaffected.

- G) That landmark and historic buildings will be preserved:

The proposed Ordinance would not adversely affect landmark and historic buildings as it would encourage renovations and would not exempt any project from historic resource or other required review.

- H) Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed Ordinance would not adversely affect parks and open spaces in terms of their access to sunlight and vistas.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on March 27, 2014

Jonas P. Ionin
Commission Secretary

AYES: Commissioners Antonini, Borden, Fong, Hillis, Moore, Sugaya and Wu

NAYS: none

ABSENT: none

ADOPTED: March 27, 2014



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use

HEARING DATE: MARCH 27, 2014

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Project Name: Small Business Month May 2014
Case Number: 2014.0290T [Board File No.14-0122]
Initiated by: Supervisor Tang / Introduced February 11, 2014
Staff Contact: Diego R Sánchez, Legislative Affairs
diego.sanchez@sfgov.org (415) 575-9082
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org (415) 558-6395
Recommendation: **Approval with Modifications**

PLANNING AND BUILDING CODE AMENDMENTS

The proposed Ordinance would 1) recognize May as Small Business Month 2) amend the San Francisco Planning Code and the San Francisco Building Code to waive various local permit fees for the month of May 2014 for the replacement of awnings and signs on awnings and the installation of pedestrian level lighting; and 3) make environmental findings, Planning Code Section 302 findings and findings of consistency with the General Plan and the Priority Policies of Planning Code Section 101.1.

The Way It Is Now

Planning Code (hereinafter "Code") Section 355(a) establishes fees for alterations to existing buildings based upon the cost of construction of the work. The current fees are as follows:

Estimated Construction Cost	Initial Fee
\$0.00 to \$9,999.00	\$342
\$10,000.00 to \$49,999.00	\$350 + 3.580% of cost over \$10,000.00
\$50,000.00 to \$99,999.00	\$2,605 + 2.392% of cost over \$50,000.00
\$100,000.00 to \$499,999.00	\$3,827 + 2.619% of cost over \$100,000.00
\$500,000.00 to \$999,999.00	\$14,501 + 0.662% of cost over \$500,000.00
\$1,000,000.00 to \$4,999,999.00	\$17,875 + 0.261% of cost over \$1,000,000.00
\$5,000,000.00 to \$99,999,999.00	\$28,473 + .004% of cost over \$5,000,000.00
\$100,000,000.00 or more	\$32,813

Planning Code Section 355(e) establishes a flat fee for Sign Permit Applications; this includes the replacement of signage on awnings. The current fee is \$161.

The Way It Would Be

The Ordinance proposes to waive Planning Department fees for permits issued during the Month of May 2014 for awning replacement and for signs on awnings. The Ordinance also proposes to waive Central

Permit Bureau fees for the review of awning replacements and the installation of pedestrian level lighting during the Month of May 2014.

ISSUES AND CONSIDERATIONS

- **Continuity with Previous Ordinances for Fee Waivers during Small Business Month.** The proposed Ordinance is exactly the same, in content, as the Ordinance that the Board of Supervisors passed in May 2013. The proposed Ordinance includes the revisions made to the 2013 Ordinance after its introduction, such as a refinement to the definition of a Small Business and a waiver of fees for permits to replace both awnings and signs on awnings.
- **Small Business Commission (SBC).** The SBC will be voting on the Ordinance at their March 24, 2014 meeting. In 2013 the SBC voted 6-0 to recommend approval of the 2013 Ordinance.
- **Department of Building Inspection Review of Both Awning Replacement and Pedestrian Lighting Permits.** The Department of Building Inspection (hereinafter "DBI") reviews both pedestrian-oriented lighting and awning replacement permits. The Planning Department is not typically involved in the review of pedestrian-oriented lighting. DBI's Central Permit Bureau accepts and issues construction permits for buildings located within the City and County of San Francisco. For May 2012, DBI reviewed and waived fees for 11 awning permits, four of which included signs and the Ordinance cost DBI approximately \$20,000. The same data for May 2013 could not be secured from DBI in time for the publication of this report.
- **Planning Department Review of Awning and Sign Replacement Permits.** The proposed Ordinance would waive fees for replacement of awnings as well as a change in signage on awnings. During last year's Small Business Month, the Planning Department reports that fees were waived for less than 15 awning replacement permits. It is not known how many of those permits for awning replacement included a change of signage. The Planning Department fee for review of awning replacement is dependent on two factors: 1) the cost of construction and 2) whether or not the awning contains signage. The cost of construction for an awning replacement is typically under \$10,000 and therefore the fee for the awning replacement alone would be \$326. If signage on the awning were to change, a flat fee of \$155 is added for review of the signage, bringing the total Planning fees for awning and signage review to \$481. Therefore last year the proposal cost the Planning Department at least \$4,890, plus a lesser, but unknown amount for some awnings which may have included changes of signage.
- **Full Review Provided.** The proposed Ordinance does not circumvent any the City or State requirements. Any building permit which needed review for historic resources, CEQA, public notice or other issue would be reviewed consistent with current City practice. The fee waiver only applies to permits which can be issued during the month of May 2014. The fee waiver does not require expediting or truncating of the current permit review process.
- **Definition of Small Business.** The proposed Ordinance only applies to *Small Business Enterprises*. The proposed Ordinance defines a *Small Business Enterprise* as one that has 100 or fewer employees. The proposed Ordinance also delegates to the Department of Building Inspection and the Planning

Department the establishment of a process by which to certify that an applicant is a *Small Business Enterprise*.

REQUIRED COMMISSION ACTION

The proposed Resolution is before the Planning Commission so that it may it may recommend adoption, rejections or adoption with modifications to the Board of Supervisors.

RECOMMENDATION

The Planning Department recommends that the Planning Commission recommend approval with modifications. Planning Department Staff recommends the following modification:

- Make permanent the annual waiver of Planning Department fees for permits issued for awning replacement and for signs on awnings as well as the Central Permit Bureau fees for review of awning replacements and the installation of pedestrian level lighting each May during Small Business Month.
- Amend Planning Code Section 355 to add a subsection (f) as follows: Small Business Month Fee Waiver. Planning Department fees for permits issued for awning replacement and for signs on awnings shall be waived each May during Small Business Month.
- Amend the fee schedules of Tables 1A-A and 1A-E of the Building Code to state: Permit Fees related to reviewing the structural integrity of awning replacements for those permits submitted "over the counter" at the Central Permit Bureau and installation of pedestrian level lighting, respectively, are waived for any permit issued for such activities each May during Small Business Month.

Basis for Recommendation: With the proposed modification the Planning Department believes that the proposed Ordinance would not only provide an incentive to improve business facades at what is projected to be minimal cost to the City but would provide certainty of fee waivers for such scope of work during Small Business Month each year. Therefore, the Planning Department recommends support of this proposed Ordinance as a gesture of goodwill during Small Business Month 2014, consistent with the Commission's recommendations from 2013.

ENVIRONMENTAL REVIEW

The proposed amendments to the Planning Code have been reviewed and found exempt from the California Environmental Quality Act ("CEQA") per Section 15273, Rates Tolls, Fares and Charges.

PUBLIC COMMENT

As of the date of this report, Planning Department staff has not received input from the public regarding the proposed Ordinance.

RECOMMENDATION: Approval with Conditions
--

Attachments:

Draft Planning Commission Resolution

Draft Board of Supervisors Ordinance [Board File No. 140122]